FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 010 15 January 1987

ARGENTINA

Further Reportage on Falklands Issue Moves B 1
UK Charged With Spying B 1
UK Denies Alfonsin Contact [AFP] B 1
CLARIN Criticizes Government [11 Jan] B 2
Interrogation of Nobistor Crewmen Begins [BUENOS AIRES HERALD 13 Jan] B 3
Crew Released on Bail B 4
Suarez Lastra Appointed Mayor of Buenos Aires B 4
Briefs: Paper Suspends Publication B 4

BOLIVIA

Report Notes Armed Forces Promotions 3 Jan C 1
[EL DIARIO 3 Jan]

BRAZIL

Sodre on Habib Meeting, C. American Issues D 1
Labor Organizations Demand Government Proposals [O GLOBO 11 Jan] D 1
Economic Development Council Discusses Inflation D 2
[O ESTADO DE SAO PAULO 13 Jan]

CHILE

Further on Investigations on Pinochet Attack E 1
2d Clandestine Clinic Found E 1
Arrest Warrants Issued E 1
Argentina Denies Report of Alfonsin Comments E 1
Junta Approves Bill Reducing Prison Sentences E 2
Defense Minister: Domestic Situation 'Normal' E 2
Socialists Seek To Unify Opposition Parties E 2
Nuclear Commission Examines Contaminated Workers E 3
Briefs: 1986 Industrial Growth; 1986 Fishing Figures; Inflation Rate Declines; Unemployment Statistics Released; Drugs Seized in 1986; New Metropolitan Region Intendant; Metropolitan Region Chief Named E 3

COLOMBIA

Barco Condemns Attack on Ambassador Parejo F 1
Antidrug Push Topic for Barco, U.S. Envoy, Report F 1
Media Joins Forces To Demand Effective War on Drugs F 1
Bolivar Department Sets up Narcotics Council F 2
[EL SIGLO 9 Jan]
Terrorists Attack Supermarket, Oil Pipeline [AFP] F 2

ECUADOR

New Foreign Minister Views OAS Speech, Appointment G 1
Reaffirms Support for Contadora G 1
Briefs: Presidential Legal Adviser Resigns G 2

PARAGUAY

Further Reportage on Radio Nanduti Issue H 1
Station To Close for 90 Days [ULTIMA HORA 11 Jan] H 1
U.S. Position Criticized H 1
Release of Journalist Ordered [ULTIMA HORA 13 Jan] H 3
Saldivar Reports on Trip, Integration Talks [HOY 13 Jan] H 4
Police Block Access to Opposition Meeting [EL DIARIO 14 Jan] H 4
Colorado Official Denounces Stroessner Critics [EL DIARIO 14 Jan] H 5

PERU

Terrorists Kill Huancayo Army Colonel [AFP] J 1

PANAMA

Foreign Minister Comments on Talks With Habib N 1

CENTRAL AMERICA

EL SALVADOR

Duarte Addresses Nation on Tax Reforms P 1
ARENA's Calderon Reviews Opposition's Stance P 2

GUATEMALA

Cerezo Plans 'Total National Reorganization' P 3

HONDURAS

U.S. Congressmen Discuss Contras' 'Government' [AFP] P 3

NICARAGUA

Ramirez Meets With Republican Congressmen [Buenos Aires REUTER] P 5
14 Jan BARRICADA Editorial P 6
Radio Commentary Views 'Psychological War' P 7
Tinoco Reaffirms Desire for Peace Dialogue P 9
Anti-Somozist Courts Try Alleged Arde Informer P 9
[EL NUEVO DIARIO 14 Jan]

CUBA

Report Outlines Assistance Plans for Nicaragua Q 1
Salvadoran Tax 'Criticized by Whole Nation' Q 1
Castro Meets With Greek Communist Party Leader Q 2
CTC Plenum Continues, Discusses Deficiencies Q 2
Castro Attends Meeting Q 3

'Success' Forecast for Material Savings Program Q 3
Agro-Industrial Units Violate Wage Standards Q 4
Shoe Factories Fail To Fulfill 1986 Plan Q 4

CARIBBEAN

HAITI

Namphy Expels Presidential Candidate Estiverne [AFP] S 1

JAMAICA

Seaga Rules Out Devaluation, Increased Inflation S 1

ST LUCIA

Compton Promises 'Exciting 1987' in Address S 2

TRINIDAD AND TOBAGO

PNM Delays Election of New Leader to September S 4
Briefs: Inflation Slows Down S 4

FURTHER REPORTAGE ON FALKLANDS ISSUE MOVES

UK Charged With Spying

PY141647 Buenos Aires DYN in Spanish 1127 GMT 14 Jan 87

[Text] Buenos Aires, 14 Jan (DYN) -- State Intelligence Secretary Facundo Suarez said he "is absolutely certain that British intelligence is operating in the country" and asserted that "he has reason to believe that it is trying to infiltrate the Chilean intelligence service to obtain information about Argentina."

In a statement to the magazine SOMOS, Suarez, a veteran politician who has held several posts including diplomatic ones, asserted that the British intelligence service "is trying to infiltrate Chilean services in order to obtain information" regarding the country and that "it is operating in Argentina."

He disclosed that "a close watch on possible British informers has begun" and added that an example of their activities in the country "has been the psychological campaign recently launched on the subject of the fishing protection zone," around the Malvinas.

Suarez asserted that "they tried to convince people that the Soviets were going to take advantage of their stay on the Argentine coast to conduct ideological penetration, which is absurd."

Suarez noted that "by arrangement, some of the crew members of the Soviet, Polish, and Hungarian vessels that fish in Argentine waters will be of Argentine nationality. We are goint to place the Argentine citizens on board these vessels."

Responding to a question, Suarez said he "had reason to believe that the British intelligence service is trying to infiltrate Chilean services in order to obtain information on Argentina. Right here, in Mar Del Plarta, we have conducted an operation that has resulted in the arrest of alleged Chilean spies. Something similar happened a few months ago in the south."

Referring to another subject, he said that the National Intelligence Center (CNI) has been "formed from the services of the three Armed Forces: the Security Service, the Foreign and Defense Ministries. He said that the CNI is in charge of the foreign aspect of the country's strategic intelligence, leaving the internal aspect up to the SIDE [Secretariat for State Intelligence].

After admitting that his telephone has "14 wire taps" ["catorce pinchaduras"] he stated that "legally speaking it is not allowed to tap [pinchar] telephones for a political or ideological spying purposes, but it is quite possible that this does happen because the Argentine communications system is very vulnerable. Therefore, it will be very difficult to verify if someone taps a line and starts to record conversations." He admitted that he "submits two reports a week" "and one top-secret document file per month" to President Raul Alfonsin.

UK Denies Alfonsin Contact

PY141501 Paris AFP in Spanish 0313 GMT 14 Jan 87

[Text] London, 13 Jan (AFP) -- Edgar Bronfman, president of the Jewish World Council, has said that Argentine President Raul Alfonsin sent a message, through him, to British Prime Minister Margaret Thatcher aimed at improving relations between the two countries.

Edgar Bronfman today told the press that he acted as an emissary and that he would deliver Thatcher's reply. He did not elaborate further.

Yesterday, the Foreign Office categorically denied any official or unofficial contact between London and Buenos Aires, describing the British press report as unfounded.

The British Prime Minister's Office tonight said that Bronfman did not deliver a message to Thatcher, that all he did was disclose what Alfonsin told him during a meeting he held with the Argentine president.

CLARIN Criticizes Government

PY150131 Buenos Aires CLARIN in Spanish 11 Jan 87 p 14

[Editorial: "To Negotiate With London"]

[Text] The political maneuvering in the Malvinas dispute has caused Great Britain to reinforce its presence in the archipelago where an important base was installed and measures to protect it were implemented. As if all this were not enough, a 150-mile fishing exclusion zone may go into effect on 1 February.

The establishment of this exclusion zone is due to fishing interests in a productive fishing zone, and has forced fishing companies from different countries to request London's authorization to fish in the area. Even in countries that do not recognize British jurisdiction over the islands, the official position has become flexible due to the influence of their private sectors. This state of affairs reached its peak when a Polish company -- state-owned, of course -- humiliated itself by requesting this authorization. It is also feared that this alleged double jurisdiction may, sooner or later, cause undesirable incidents, because the British will patrol the area.

While these events were taking place, the failure of San Martin Palace's political maneuvering was becoming more evident. The events described here were taking shape when this government decided to put an end to the state of war that originated with General Galtieri's actions. Meanwhile, diplomatic action did not center on the direct negotiation of the controversial topic, but sought favorable votes in different international organizations, such as the Nonaligned Movement and the UN General Assembly. In an attempt to obtain more favorable votes, the Foreign Ministry did not hestitate to accept the softer phrasing of the OAS and UN resolutions, which are evidently not binding on London. The terms of these resolutions became so mild that they no longer preached decolonization, but merely recognized the existence of a conflict and recommended its prompt negotiated solution. However, as occurred in Berne, all the negotiations came to a dead end. Argentina insisted on including the sovereignty issue in the negotiations, and Great Britain insisted on not including it. The points between the two extremes were not explored, and, consequently, issues as complex as that of the fishing rights were overlooked.

Regarding the latter, the possibility of establishing a zone for the preservation of fishing resources had been under discussion in Great Britain for some time. There had even been attempts to submit these discussions to organizations such as the FAO, but Buenos Aires rejected the idea on justified grounds. However, no alternative solutions were offered. In avoiding the problem by signing fishing agreements with Western and Eastern countries, Argentina sought to reinforce its jurisdiction over the disputed water.

The fact that the first agreements were signed with Bulgaria and the USSR not only allowed the plan London had been postponing to materialize, but also gave rise to arguments of a strategic nature involving the existence of a British military base in the Malvinas, and the situation that would result from the presence of Soviet vessels in the southern seas. These arguments weighed on the public opinion of the Western countries, particularly in the United States.

At this point, the government again performed as if its voice were the only one that mattered on the issue. In fact, the government did not promote a broad debate on the Malvinas issue. This is an issue that goes beyond mere parties and sectorial pressure and is now a major national issue. Actually, the Malvinas conflict not only threatens our territorial integrity but it also endangers our relations with important friendly countries, in addition to being a probable source of future trouble. Instead, the government released an unjustified, overtly triumphant statement that suggested that progress was being made toward the recovery of sovereignty. Yet, the exact opposite was happening.

This did not prevent responsible sectors of the government -- including the Foreign Ministry -- from considering alternative courses of action, and from looking abroad for other points of reference for future initiatives. Although the nature of these studies was not disclosed, we must point out that limited negotiations are preferable to none at all, and that it is advisable to reestablish a negotiation channel with the London government.

Evidently, Argentina cannot drop its sovereignty claim over the Malvinas or concentrate all its diplomatic activities on this single issue, which has become more complex over the years. Neither can it insist on policies that would result in the reinforcement of British presence in the region. Therefore, 1 February is a crucial date, and the government must now prove that it is in good shape and alert.

INTERROGATION OF NOBISTOR CREWMEN BEGINS

PY141028 Buenos Aires BUENOS AIRES HERALD in English 13 Jan 87 p 11

[Text] (NA) -- Judge Jorge Pisarenco yesterday started to interrogate the four United States citizens who are now in custody here on charges of having participated in a plan to smuggle armaments to an African country.

The four are John Early, Robert Edward Foti, Julio Rodriguez Larrazabal, and Stephen Villa Sosa. All four had been jailed in Brazil since March last year when together with four others they had been arrested on board the ocean-going tug Nobistor off the coast of Rio de Janeiro.

The other four gunrunners escaped from their Brazilian captors on December 14 and returned to the United States. The Argentine Government demanded the extradition to Buenos Aires of the four men since the armaments in their possession had been purchased in Argentina.

Sources revealed that the weapons had been legally purchased but there had been irregularities with regard to export procedures. At the time of the arrests by the Brazilian authorities the ten crewmen of the tugboat which was registered in Panama were held briefly and later released.

The questioning of the four gunrunners in Buenos Aires will probably disclose further details concerning the case as there are different versions of the operation.

When arrested in Brazil, the eight men denied they were mercenaries and acting on behalf of a group opposed to the regime of Jerry Rawlings in Ghana.

Brazilian sources alleged that the CIA (Central Intelligence Agency) of the United States had been involved in the arms purchase and in the flight of the other four men.

Crew Released on Bail

PY150034 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2046 GMT 14 Jan 87

[Text] Buenos Aires, 14 Jan (NA) -- Judge Pisarenco has ordered the release from prison of the four U.S. citizens who were recently extradited from Brazil. They have been accused of arms smuggling on an international scale.

In his decision, the judge states that he has granted their release from prison under a bail bond of 12,000 Australes each.

SUAREZ LASTRA APPOINTED MAYOR OF BUENOS AIRES

PY150313 Buenos Aires Domestic Service in Spanish 0200 GMT 15 Jan 87

[Relay from Government House by reporter Marta Lopez]

[Excerpts] Facundo Suarez Lastra was appointed today as the new mayor of the city of Buenos Aires. The Executive Branch decree confirming this appointment was released this morning, and Suarez Lastra will be sworn in tomorrow in a ceremony in the Municipal Palace White Hall by Interior Minister Antonio Troccoli. [passage omitted]

It was confirmed this afternoon by government sources that Public Information Secretary Juan Radonjic will replace Suarez Lastra. [passage omitted]

BRIEFS

PAPER SUSPENDS PUBLICATION -- (NA) -- The newspaper LA GACETA yesterday informed its readers that it would be ceasing publication for the next three or four weeks as from today. It added that this was due to operational difficulties. [Text] [Buenos Aires BUENOS AIRES HERALD in English 13 Jan 87 p 11 PY]

REPORT NOTES ARMED FORCES PROMOTIONS 3 JAN

PY131313 La Paz EL DIARIO in Spanish 3 Jan 87 p 5

[Text] Major General Simon Ubieta will be sworn in as a new Armed Forces chief of staff on 5 January 1987 at 1600 during a ceremony in the Miraflores headquarters.

It was also reported that General Romulo Mercado G. will become new Army chief of staff, while General Jorge Moreira will become director of the Army "Colone Gualberto Villaroel" Military School.

General Yamil Taja has been appointed chief of the military household; General Hermes Fellman as director of the National Security Council (Conase); and General Tito Justiniano as Armed Forces Inspector general.

Colonel Oscar Gongora has been appointed commander of the Weapons Training School; General Renato Lopez Leyton has been ratified commander of the Staff and Command School; Colonel Luis Iriarte Gonzalez has been ratified commander of the Special Forces Training Center (CITE). General Edwin Peredo has been appointed commander of the VIII Army Division seated in Santa Cruz; Colonel Franz Ordonez, as commander of the Army Artillery School; General Julio Loizaga R., of the Communications Command; and Colonel Oscar Escalera, to the Military Medical Corps Unit.

Colonel Jorge Rodriguez Roca has been ratified commander of the "Tarapaca" No 1 Armoured Batallion; and Lieutenant Colonel Alfonso Saavedra F. as commander of the Condor School [Escuela de Condores] in Sanandita.

Colonel Jaime Cardozo Cruz has been ratified chief of the Army Engineers Corps; and General Gerardo Peralta has been ratified Defense Ministry undersecretary.

Air Force Brigadier General Adalid Cuellar Z. has been ratified president of the Military Supreme Court of Justice; General Casto Areaga has been ratified president of the Permanent Military Court; and Frigate Captain Luis Daza Montero has been ratified president of the National Civil Defense Committee.

SODRE ON HABIB MEETING, C. AMERICAN ISSUES

PY150102 Brasilia Domestic Service in Portuguese 2100 GMT 14 Jan 87

[Text] Philip Habib, roving U.S. ambassador for Central America, today held a meeting with President Sarney. Foreign Minister Abreu Sodre was present at the meeting. After the meeting some said that the Brazilian Government continues to recognize the need to achieve a negotiated solution in Central America within the framework of an exclusively Latin American process.

[Begin Sodre recording] The president listened carefully to what was said, and he reiterated what we have already said about our responsibility on this issue as a member of the Contadora Support Group. He added that Brazil will be tireless in its efforts to achieve a peaceful solution through negotiations. The issue is that this is something that must be resolved by Latin Americans, that is by Central American and South American countries. This is a Latinization process [latinizacao]. [end recording]

LABOR ORGANIZATIONS DEMAND GOVERNMENT PROPOSALS

PY141530 Rio de Janeiro O GLOBO in Portuguese 11 Jan 87 p 14

[Excerpts] Specific proposals. This is, in sum, what the Sole Central Organization of Workers (CUT), the General Labor Confederation (CGT) and the Independent Union Organization (USI) want from the government prior to beginning negotiations, within the framework of the Social Pact.

More than specific proposals, the CUT -- believed to be the most radical of the labor unions for having rejected the Social Pact and for having expressed its willingness to establish a dialogue, yet without making any prior commitment to accept any agreement -- above all wants the suspension of payments on the foreign debt, the repeal of the Cruzado II Plan, that is to freeze prices and to guarantee the supply of staples. They also seek to implement a general readjustment of salaries in January based on the real inflation rates recorded between March and December 1986.

CUT Vice President Avelino Ganzer has said that "there is no progress in the Social Pact negotiations because there cannot be negotiations without proposals. The government has not yet made any specific proposals. The government is trying to win time and trying to divert people's attention from the real situation. Morever, it has no intention of including the main issues, such as foreign debt payments and the Cruzado II Plan, in the negotiations." [passage omitted]

Although he disagrees with the position upheld by the CUT, CGT President Joaquim Dos Santos Andrade, alias Joaquinzao, agrees with Ganzer regarding the nondevelopment of the Social Pact negotiations. He said that this is because "the different sectors are engaging in separate negotiations." He added that the three central union organizations, the national labor confederations and federations, have decided "to undertake joint discussions outside the framework of the union movement."

Joaquinzao said "the government does not know what to propose, we do. In turn, businessmen have nothing to offer. We do not believe they will make any proposals that will help. Up to now we have not heard any specific proposals from either businessmen or the government. We have just superficially discussed some principles with the labor minister. We are waiting for new calls and we hope that, during the next round of negotiations, the labor minister will submit to us specific programs and proposals to be discussed.

Despite the fact that the CGT does not demand the suspension of foreign debt payments and the repeal of the Cruzado Plan II as basic conditions for undertaking negotiations, Joaquinzao believes that it is precisely because of these two issues that the negotiations should be undertaken. He believes that in so doing, we would be attacking the direct cause of the problems instead of concentrating on their effect: the return of financial speculation, and the brutual increase in interest rates that have increased to 400 percent.

Antonio Pereira Magaldi, president of USI, the only central labor organization in favor of paying the foreign debt, is also unhappy with the government's indecision. He said that negotiations are under way more than anything because of political agreements achieved prior to the 15 January meeting, which is when he hopes that real social pact negotiations will begin. [passage omitted]

ECONOMIC DEVELOPMENT COUNCIL DISCUSSES INFLATION

PY140121 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jan 87 p 26

[Excerpts] The escalation clause that triggers salary readjustment for inflation will have to be taken off the books because it is intolerable during a period of high inflation rates, which are predicted for December, January, and February. This was one of the main conclusions reached by the Economic Development Council (CDE) in its first meeting under the present government. The CDE considered the suggestion to replace the escalation clause with a salary bonus interesting and viable Even Labor Minister Almir Pazzianotto favored this idea.

In an interview granted to the press to report on the CDE meeting, the council's executive secretary, Planning Minister Joao Sayad, said that renewed inflation is the main difficulty the government will face this year, adding that double-digit inflation (above 9.9) is expected for January. Sayad stressed that "our struggle at this time is to keep the price increase from developing into a trend in the coming months."

According to the planning minister, "the escalation clause puts a squeeze on our economic policy," because if it is implemented once, it will have to be implemented again and again, thus creating an unstoppable, vicious circle of high inflation.

Labor Minister Almir Pazzianotto is consulting with labor and business leaders about the replacement of the escalation clause. The state governors and congressional leaders will be consulted at a meeting tomorrow with President Sarney and the ministers of the economic portfolios. Anyone who does not agree with the replacement of the escalation clause with a salary bonus will be invited by President Sarney to come up with a better suggestion. In the afternoon, Minister Pazzianotto again discussed the escalation clause with Finance Minister Dilson Funaro. Also, at the Labor Ministry, Pazzianotto met with PMDB [Brazilian Democratic Mobilization Party] President Ulysses Guimaraes to discuss the same topic. [passage omitted]

Sayad said that the new economic package should be completed by the end of this week. This package is intended to make the process of price realignment compatible with the salary policy, aiming essentially at impeding an inflationary explosion. [passage omitted]

FURTHER ON INVESTIGATIONS ON PINOCHET ATTACK

2d Clandestine Clinic Found

PY140204 Santiago Radio Chilena in Spanish 2200 GMT 13 Jan 87

[Text] Military Prosecutor Fernando Torres Silva has gone to see an allegedly clandestine clinic where some presumed extremists received medical assistance. It was reported that the patients of this clinic participated in the attack against President Pinochet's motorcade, in which five presidential guards died.

The clinic was discovered in a house on Bilbao Avenue between Antonio Varas and Pedro de Valdivia Streets.

This afternoon Torres also went to the clandestine clinc at 1218 Piachenza Street in Las Condes district. He ordered one of the seven persons indicted in the case to be present during this visit. The prisoner's name was not revealed.

Arrest Warrants Issued

PY150154 Santiago Domestic Service in Spanish 2200 GMT 14 Jan 87

[Text] The military prosecutor investigating the attack against the president has issued six more arrest warrants. This news was provided to the media by Military Prosecutor Fernando Torres Silva, himself, who said that in the last few hours two more subversive criminals were put at his disposal. They were arrested on charges of being linked to the arms caches case.

Regarding the six new arrests warrants, Torres said that they are connected to the clandestine clinic found on Piacenza Street. Apparently, these individuals were arrested in an apartment on Francisco Bilbao Avenue near the Ines de Suarez residential park.

Torres said that it was a (?residence) linked to the investigations he is carrying out. He added that the Bilbao Avenue apartment was used by subersive criminals, therefore the arrest warrants were issued.

Meanwhile, two more arrests were made in relation to the arms caches. Asked about the identity and activities of the new prisoners, Torres did not give any information.

Military Prosecutor Torres Silva is in charge of three cases: the attack against the president, Carabinero Miguel Vazquez' murder, and the terrorist arms caches.

ARGENTINA DENIES REPORT OF ALFONSIN COMMENTS

PY140033 Santiago Domestic Service in Spanish 2200 GMT 13 Jan 87

[Text] The Argentine Government has officially denied a report published by the Argentine magazine SOMOS. Argentine Foreign Relations Under Secretary Raul Alconada told the Chilean ambassador in Buenos Aires, Arturo Fontaine, that the Argentine Government does not endorse the article published in that magazine.

The article states that President Raul Alfonsin had discussed Chile's political future. Alconada explained that the article is mere assumption or conjecture on the part of two journalists, and that it is not endorsed or approved by the government.

SOMOS published an article reporting on alleged meetings between President Alfonsin with Gorbachev, Reagan,and Fidel Castro.

JUNTA APPROVES BILL REDUCING PRISON SENTENCES

PY140200 Santiago Domestic Service in Spanish 2200 GMT 13 Jan 87

[Excerpt] The Chilean Government Junta has approved a bill granting a general reduction of prison sentences by 1 year.

The bill was submitted to the legislative branch on 6 January, and was given expeditious treatment. After the Government Junta meeting today, Justice Minister Hugo Rosende said that new additions were made to the list of crimes exempted from this law, such as: assault and battery, espionage, treason, and manslaughter. [passage omitted]

DEFENSE MINISTER: DOMESTIC SITUATION 'NORMAL'

PY141832 Santiago Radio Chilena in Spanish 1600 GMT 14 Jan 87

[By Eliana Enriquez from La Moneda Palace]

[Excerpt] [Passage omitted] Defense Minister Rear Admiral Patricio Carvajal has said that, after the state of siege was lifted, the national situation has been normalizing. He added that attacks on public order and property have decreased, although some attacks against public services, such as running water facilities, have increased slightly in recent days. Minister Carvajal also said that police personnel are constantly alert, and that additional preventive measures have been adopted to preserve tranquillity. [passage omitted]

SOCIALISTS SEEK TO UNIFY OPPOSITION PARTIES

PY141416 Santiago Radio Chilena in Spanish 2200 GMT 13 Jan 87

[Excerpt] In view of the political parties law that the government is trying to impose, the Historical Faction of the Socialist Party today expressed its support for Ricardo Lagos' proposal to form a single group comprising all political sectors formed by all right, center, and leftist democrats without exception to confront General Pinochet with a completely united country.

During a press conference, Juan Gutierrez, secretary general of the Socialist Party's Historical Faction, said that a single opposition sector, as proposed by Ricardo Lagos, cannot enclude a rightist democracy or the communists. Gutierrez explained that they cannot be excluded because history has shown us that ultimately military dictatorships reach an agreement with communists in order to safeguard the country.

The socialist leader added that it would be ironic if the military were to negotiate or establish a dialogue with the communists and not the center and leftist democrats; who are their natural and historical allies. [passage omitted]

NUCLEAR COMMISSION EXAMINES CONTAMINATED WORKERS

PY131444 Santiago Domestic Service in Spanish 0930 GMT 13 Jan 87

[Text] Following reports that two workers from Antofagasta were contaminated while handling radioactive elements used in their work, the Chilean Nuclear Energy Commission [CCNE] has issued an explanatory communique noting that the general manager of the mining enterprise La Escondida, Inc., has requested the CCNE to examine four enterprise workers. The miners had allegedly taken part in a research program in subterranean water, during which equipment emitting radiation was used.

The CCNE communique also says that the tests to which the workers were subjected were of a routine nature and that blood samples have been taken from each of them to determine the level of contamination. It is noted that this test requires at least 30 days observation and since the data and blood sample of the allegedly contaminated workers were only collected on 23 December, a detailed report will be issued on 23 January.

The communique ends by stating that there is a technical and legal authorization that allows equipment with radioactive elements to be used, and voices its willingness to cooperate in the case that is should be necessary.

BRIEFS

1986 INDUSTRIAL GROWTH -- According to the director of the National Insitute of Statistics, the Chilean industrial production during 1986 grew by 10.9 percent. [Summary] [Santiago Domestic Service in Spanish 2200 GMT 5 Jan 87 PY]

1986 FISHING FIGURES -- Economy Minister Juan Carlos Delano reported that 5,614,000 tons of fish were caught in 1986. The minister said that this represents a 12.6-percent increase over 1985. Minister Delano concluded by saying that fish exports increased by 10 percent during 1986. [Summary] [Santiago Domestic Service in Spanish 2200 GMT 6 Jan 87 PY]

INFLATION RATE DECLINES -- The National Statistics Institute [INE] reported that inflation was 17 percent during 1986. The Consumer Price Index reached 1.5 percent in December 1986, according to Luis Gatica, INE acting director. [Excerpt] [Santiago Domestic Service in Spanish 1600 GMT 5 Jan 87]

UNEMPLOYMENT STATISTICS RELEASED -- The national unemployment rate dropped to 9.7 percent during the 3 last months of the year as compared with the previous 3 months, according to INE labor statistics dircector Eduardo Carrasco. [Excerpt] [Santiago Domestic Service in Spanish 1600 GMT 5 Jan 87 PY]

DRUGS SEIZED IN 1986 -- The Investigative Police and Carabineros have reported that during the past 12 months they seized 60 kg of cocaine and 97 tons of marijuana. [Summry] [Sanatiago Domestic Service in Spanish 2100 GMT 30 Dec 86 PY]

NEW METROPOLITAN REGION INTENDANT -- Brigadier General Julio Jara Picot was sworn in today as new Intendant of the Metropolitan Region. He replaces Major General Osvaldo Hernandez Pedrero. [Summary] [Santiago Radio Chilena in Spanish 1600 GMT 7 Jan 87 PY]

METROPOLITAN REGION CHIEF NAMED -- Brigadier General Julio Jara (Decoud) will replace Major General Osvaldo Hernando Pedrero as Metropolitan Region intendant on 7 January. The ceremony will take place at the intendancy building in Santiago. Pedrero has served for 2 years as intendant, and Jara has been Chilean ambassador to the FAO in Italy. [Text] [Santiago Domestic Service in Spanish 0930 GMT 3 Jan 87 PY]

BARCO CONDEMNS ATTACK ON AMBASSADOR PAREJO

PA141604 Bogota Emisoras Caracol Network in Spanish 1215 GMT 14 Jan 87

[Text] Bogota -- On behalf of the national government, President Virgilio Barco condemned the attack against Enrique Parejo Gonzalez, former justice minister and current ambassador to Hungary. President Barco said he is indignant over the wickedness and [word indistinct] of organized crime. In a brief official statement, Barco also expressed the Colombian Government's gratitude to Hungary for the effective medical assistance given to Ambassador Parejo Gonzalez to save his life.

President Barco stressed Ambassador Parejo Gonzalez' outstanding qualities and his contributions in the struggle to ensure full respect for the law. He added that once again, organized crime has shown that there is no limit in fulfilling its ill-fated purposes.

Barco expressed his and the government's solidarity to the Parejo Gonzalez family and told them that the Hungarian authorities have begun investigations to clarify the circumstances and responsibilities in this terrible attack.

ANTIDRUG PUSH TOPIC FOR BARCO, U.S. ENVOY, REPORT

PA131740 Bogota Emisoras Caracol Network in Spanish 1215 GMT 13 Jan 87

[Text] President Barco resumed activities at Narino Palace yesterday afternoon with a lengthy meeting with the ministers of government, defense, and foreign affairs; and with U.S. Ambassador Charles Gillespie. Although an official report was not issued, the palace press was informed that the meeting was held to discuss the government's antidrug campaign.

During the first 25 days of the campaign, 783 people linked to illicit drug activities have been arrested. Many of them will be released within the next few hours, when the 10-day period authorities are allowed to hold a suspect without a previous court order expires. According to the report the Defense Ministry will present to the government within the next few hours, during the first phase of the struggle against the drug mafia, 257 kg of cocaine, more than 9,000 kg of cocaine base, almost 42,000 grams of bazuco, and more than 5,000 tons of compressed marijuana were seized. So far, more than 1,200 searches have been carried out and vehicles, arms, small planes, and helicopters have been confiscated.

Justice Minister Eduardo Suescun thanked the people, on the government's behalf, for their cooperation in the effort to wage an all-out war against drug traffickers.

MEDIA JOIN FORCES TO DEMAND EFFECTIVE WAR ON DRUGS

PA150230 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Jan 87

[Communique issued by the directors of the Colombian communications media; date and place not given]

[Text] The communications media has observed that the drug trafficking mafia, alone or in alliance with the guerrillas and other groups acting illegally, have declared an open war on the country and its government. In face of this war, the communications media has acted with courage and has given its share of blood.

However, it is surprised to see that the actions of the government as well as the reaction of the various sectors of our society do not correspond with the danger the country faces of falling under the total control of the drug trafficking sector.

In view of this declaration of war on Colombia, the attack on former Justice Minister Enrique Parajo Gonzalez, and recent murder of Guillermo Cano, the communications media has been forced to form a united front of the media -- radio, television, and newspaper. We have decided to place ourselves on permanent guard to demand that the government, political parties, and the Colombian society join forces and support all effective actions aimed at winning the war against the drug trafficking criminals.

BOLIVAR DEPARTMENT SETS UP NARCOTICS COUNCIL

PA120416 Bogota EL SIGLO in Spanish 9 Jan 87 p 6

[Article by Guillermo Gomez Fernandez]

[Excerpt] Cartagena -- The Bolivar departamental government, under the provisions of Decree 793 of 26 December 1986, has established a Narcotics Council, with the participation of personnel from the DAS [Administrative Department of Security] and the National Police, the head of the local office of forensic medicine, the district attorney, the local mayor, the secretaries of government, general [as published] and education, the directors of public health in Bolivar, and representatives of the Family Welfare [Institute] and Inderena [National Institute of Renewable Natural Resources and the Environment].

The decree indicates that the council's mission is to work actively in the struggle against drug trafficking and to join in the efforts that the central administration and the nation's security forces are presently making in the National Council. [passage omitted]

TERRORISTS ATTACK SUPERMARKET, OIL PIPELINE

PA142207 Paris AFP in Spanish 2031 GMT 14 Jan 87

[Excerpt] Bogota, 14 Jan (AFP) -- [Passage omitted] A small bomb exploded inside a busy supermarket in Barranquilla, capital of the Caribbean Department of Atlantico, causing some material damage, but no deaths, according to the fire department. Three more bombs placed at key points inside the shop were deactivated, according to the fire department.

Last night there were five terrorist attacks against buses in Barranquilla. The explosion of one of the bombs killed 13 people, left 25 seriously injured, and 12 with lesser injuries.

In another case, alleged M-19 guerrillas blew up part of the Pacific oil pipeline that goes from the port of Buenaventura to the industrial village of Yumbo, located in the southeastern part of the country. The state-owned Colombian Petroleum Enterprise sent personnel to the site to try to counter the ecological effects of the oil spill. There is no information yet on the quantity of oil spilled.

NEW FOREIGN MINISTER VIEWS OAS SPEECH, APPOINTMENT

PA140426 Quito Radio Quito in Spanish 2300 GMT 13 Jan 87

[Text] In a conversation with the press, new Ecuadoran Foreign Minister Rafael Garcia Velasco has clarified several points in the speech he delivered at the OAS regarding the Contadora Group.

In that speech Garcia said that Ecuador did not question the Contadora and Support Groups, but only criticized the procedures adopted within the OAS. He asserted that Ecuador agrees with the countries looking for peace in Central America. Garcia added that in his speech he described the Contadora and Support Groups as cliques [grupusculos], but that he did not do so in a pejorative manner.

[Begin recording] [Garcia] I followed instructions, stating them according to my conscience and experience. Therefore, I am not shying away from the responsibilities that all my actions — including this one — imply.

[Reporter] [Question indistinct]

[Garcia] No, I would not interpret it that way. President Febres never told me that in that way. He told me that according to the resignation that Foreign Minister Teran [words indistinct] to the resignation presented to President Febres... [changes thought] he should have thought about several candidates to occupy the position. There are some very distinguished government officials who could occupy this position, but not with more patriotism. I think that we all possess the same degree of patriotism, but perhaps some government officials are more competent or more informed than I am. However, perhaps President Febres honored me with this position due to my experience. He decided to distinguish me among the innumerable candidates available. [end recording]

Reaffirms Support for Contadora

PA141916 Quito Voz de los Andes in Spanish 1130 GMT 14 Jan 87

[Text] New Foreign Minister Rafael Garcia Velasco said during a news conference that Ecuador backs the Contadora Group's peace efforts in Central America. The foreign minister added that Ecuador objects to the actions by certain countries that are trying to achieve [sistematizar] political agreements among governments by holding regular consultation on matters affecting our countries.

[Begin Garcia recording] Ecuador has always offered its support to the Contadora Group, and has always been concerned about peace in those five [Central American] countries. The fact that Ecuador broke diplomatic relations with one of those countries does not mean we do not care about its people. The Ecuadoran Government and people are not opposed to the Nicaraguan people. On the contrary, we harbor fraternal feelings toward the Nicaraguan people, toward the peoples of all the American states, and toward the peoples of all the states of the world.

Moreover, in view of current international relations, the problem of one state concerns all the world's staes. The problem of one state affects, influences, and worries other states. A philosopher once said that human beings cannot remain indifferent to the problems of another human being. We must apply this sentence regarding human beings to states.

States cannot remain indifferent to the problems of another state. That is why Ecuador is concerned about the situation in Nicaragua. However, it is also concerned about the situation of the other four countries involved in the Contadora Group's peace efforts.

On those occasions where Ecuador has collaborated and given its consensus on a document, it has repeatedly expressed its stance. On repeated occasions at the OAS, Ecuador has expresed the stance of its government and people. It has voiced its concern for peace, and therefore its backing for the Contadora Group's peace effort. Thus I have noted Ecuador's respect for the Contadora Group as an organization striving for peace, and expressed its serious reservations regarding the establishment of permanent mechanisms of consultation and political agreement -- I am textually repeating the words contained in the document [not further identified]. I said that it was inadvisable for these cliques [grupusculos], I mean I used this word...[changes thought] admittedly, I should not have used this word, not for the reasons mentioned in the news media, but rather because that word is not in the Royal Spanish Academy Dictionary. You will not even find it in the latest edition of the Royal Spanish Academy Dictionary. There are other dictionaries besides the dictionary of the Royal Spanish Academy. The word means small group. [Words indistinct] it does not have a pejorative or insulting meaning. It simply means small groups. The Ecuadoran [words indistinct] can misconstrue it, and harm international relations. This is the general meaning. What I have explained to you in simple terms can also be expressed in an equally simple, clear, and precise argument. I have a background in law. For that reason, I have tried to speak clearly and precisely, because it is required in legal documents. I try to speak clearly and precisely, because it is required in legal documents. I try to speak clearly and precisely. I understand that my speech at the OAS was clear and precise. After I finished, several colleagues came to me and told me: We cannot agree with your ideas, but we congratulate you for speaking politely, elegantly, and clearly. Therefore, representatives from other countries were not as offended as my compatriots over my remarks at the OAS. [end recording]

BRIEFS

PRESIDENTIAL LEGAL ADVISER RESIGNS -- Dr Alejandro Ponce Martinez has presented his resignation as director of the Legal Advice Office of the Presidency to return to his professional activities. He has denied that his resignation has anything to do with the scandal over the import of luxury cars. [Summary] [Quito Voz de los Andes in Spanish 1230 GMT 11 Jan 87 PA]

FURTHER REPORTAGE ON RADIO NANDUTI ISSUE

Station To Close for 90 Days

PY142100 Asuncion ULTIMA HORA in Spanish 11 Jan 87 p 8

[Text] Radio Nanduti will suspend its Amplitude Modulation (AM) tarnsmissions this afternoon. The radio's director, Humberto Rubin, in the presence of reporters will turn off the technical instruments that make transmissions possible. In principle, the radio station will remain closed for 90 days. The decision to close the station was made because of economic problems, and because of 9 months of constant jamming of the radio's transmissions. The jamming was intensified in the past 2 months. Nanduti is unable to make voice transmissions or transmit commercials. "We cannot continue like this, there are no guarantees. When guarantees of freedom of expression and of information are given to us, Radio Nanduti will be heard again in Paraguayan territory," Rubin, visibly moved, told ULTIMA HORA. He remarked that "together, journalists and administrative personnel have walked down the path of freedom, struggling for the same cause, which is freedom and democracy in the country." He explained that as of 1600, he will stop transmitting music and other programs.

The closure is not really for a definite period of time, but we are suspending transmissions for 90 days in order to get organized with the Inter-American Press Association, IAPA, the International Radio Stations Association [Asociacion Internacional de Radiomisoras -- AIR], and with the authorities. We have no oxygen, there is no way to continue.

"Interference is total, despite all our complaints. This means that we will change our attitude and we will demand, inside the country and abroad, the necessary guarantees to be able to transmit. As long as we do not have such guarantees, we will remain silent," Rubin said.

Regarding the 90-day closure of his radio station, Rubin explained that "this is a legal procedure, out of respect for our employees. Those who wish to leave, will do so. I do not want to dismiss the boys. This is a symbolic suspension, and the boys are waiting anxiously for the time when the radio station can go on the air again. I have not lost hope yet. The people from AIR have come here with good intentions. They remained here for a week. Radio jamming is punished internationally, so this is not just a domestic matter."

Rubin revealed that he maintains close contact with foreign ambassadors who continue to offer equipment to detect where the jamming actually originates. Rubin also reported that Radio Nanduti has had montly losses of 4 million guaranies since last May, and that he has already discussed his case at the OAS, Geneva, the IAPA, the AIR, and other international organizations.

U.S. Position Criticized

PY141656 Asuncion Domestic Service in Spanish 2330 GMT 13 Jan 87

[La Voz del Coloradismo commentary]

[Text] Freedom of expression is the constant concern of all democratic governments, not only because it must be preserved but also because it must be protected against distortion so the public can be correctly informed. This means that no one has the right to abuse this freedom to spread lies or to unjustly offend anyone, much less to promote hatred and violence.

Freedom of expression is guaranteed under the national Constitution and restrictions are provided to prohibit the promoting of hatred and violence, the creation of a state of instability and confusion, and the distortion of reality. These practices are not accepted as part of freedom of expression. Therefore, as we have already said, our government's concern is not only to make freedom of expression effective, but also to protect it, to avoid abuses, and to keep unthinking and undesirable individuals from taking advantage of it to serve obscure and negative interests.

We have the case of Radio Nandupe [Cuarani word for poisonous spider -- pun on name of radio station Radio Nanduti], for instance, which has always trespassed the limitations established by the Constitution. Although it has gone to intolerable extremes in this regard, none of the drastic measures that would have been appropriate have ever been taken against the station. Radio Nandupe has been treated with a great deal of leniency.

If the U.S. Government's concern about this radio station is what Mr Taylor, the U.S. ambassador, has recently expressed it to be, it is no less a concern of our government, although not from the same standpoint as that of the U.S. Government. Our government's concern is directed at what this radio station represents and has always represented: a detriment to freedom of expression in Paraguay. If this government concern about the station's misbehavior is considered by that station as an offense, a form of persecution, or an attack on its interests, it is so only because its director believes that he can violate constitutional norms with impunity, . These norms are respected by all well-bred Paraguayans who do not seek foreign godfathers to commit journalistic abuses, as has Radio Nandupe.

If the U.S. ambassador went to express interest in the situation of Radio Nandupe, why did he so promptly say that he was not interfering in the country's internal affairs? No one said that he was, but without waiting to be accused, he came out and said that he was not interfering. No one has restricted his right to go anywhere he wants to go in the country. Just last Saturday he went with that guy [Aldo Zuccolillo] to fish in the Parana River.

Because we are respectful of freedom of the press, we are alarmed when individuals like the director of Radio Nandupe, who goes around embracing communists and all the enemies of democracy, so openly violates constitutional norms. It is even more alarming that a representative of the Government of the United States, a nation we consider to be a leader of democracy, does not hide his sympathy for the misfit director of said radio station. According to recent statements by Ambassador Taylor, the U.S. Government is concerned about the situation of the bearded director of Radio Nandupe. Why is it that the U.S. Government should be concerned only about him? Do not the Paraguayan people, their most representative sector, mean anything to the United States -- these people who are constantly being offended by the radio station to which we are referring?

The Paraguayan people are being offended not only verbally, but also by the broadcast of revolutionary and communist songs and poems. The radio station does this with complete freedom, and with a complete lack of respect for Paraguayan democracy -- a democracy without communism or communists. How can these things be causes for the concern of Mr Taylor's government especially since the North Americans and the Paraguayans have signed mutual agreements to guarantee freedom of expression?

Nevertheless, the station to which we refer has always been a blatant case of aggression against that freedom of expression, because by abusing that freedom and debasing it, that station has done nothing but broadcast lies and slander about the country, as well as promoting hatred and subversion.

It has gone to the extreme of praising communist musicians and poets, such as the poet Elvio Romero and the musician Herminio Gimenez Lola, who, as Mr Taylor should know, was not allowed to enter the United States because of his well-known ties with international Marxist elements. Gimenez has been part of this subversion for many years, so much so that he was especially invited to visit the Soviet Union by the Communist government itself.

Is this the radio director about whom the government which is represennted by Mr Taylor should be concerned? Shouldn't the United States consider him an obstacle to freedom of expression -- as the Paraguayan Government does -- instead of a victim of the alleged violation of press freedom? It is likely that the U.S. Government, which is so respectful of democracy, does not know that for the great majority of the Paraguayan people, this bearded radio director represents absolutely nothing. If he finds himself in the situation of being repudiated by the people, it is precisely because of his abuse and freedom of the press, and his offenses and insults.

Instead of complaining to the U.S. Government or to those who have links with that government, this bearded, self-styled, color-blind, insolent chatterbox should have gone to the regimes that he admires, like those of Russia, the PRC, Cuba, and Nicaragua. He can ask these regimes for help to continue to disseminate his lies about the peace, democracy, and progress of the country that is tolerating him, of the country he described as insignificant in an interview with a European television channel.

Democratic elections have placed the representatives of the vast majority of the Paraguayan people in power. This vast majority hopes that the friendly U.S. Government will stop worrying about the enemies of democracy, about those who -- like Radio Nandupe -- have sold themselves to Marxist subversion, and that it will display a fraternal attitude toward the genuine Paraguayan people, toward the absolute majority of the people. This absolute majority is silently striving for progress and well-being, bravely confronting the agents of international communism, who have neither God nor a fatherland. The director and the employees of Radio Nandupe have sided with those agents. However, we deeply lament the jamming of this radio station.

Release of Journalist Ordered

PY150205 Asuncion ULTIMA HORA in Spanish 13 Jan 87 p 38

[Text] Judge Jose Francisco Appleyard, who is in charge of the appellate court during the summer recess, this morning ordered the release of Radio Nanduti reporter Oscar Acosta. Acosta has been charged with violating Law No 209 on the defense of public order and the freedom of persons.

The judge based his ruling on the fact that there were no valid legal grounds to justify Acosta's arrest.

He added that the police report does not provide evidence that can be used against the accused, and that the defense provided evidence that refuted what was stated in the police reports.

Oscar Acosta was arrested in December on charges that he tried to intercept a vehicle transporting inmates to court to testify.

In view of the judge's ruling, the proper authorization was sent to the penitentiary so that the journalist would be released.

SALDIVAR REPORTS ON TRIP, INTEGRATION TALKS

PY141703 Asuncion HOY in Spanish 13 Jan 87 p 11

[Text] Foreign Minister Carlos A. Saldivar discussed his trip to Uruguay after meeting with President Stroessner. He said that "we met with Uruguayan officials to discuss issues of bilateral interest, and to talk about regional integration. The Latin American integration process started in 1960 and the stage that ended in 1980 led to the creation of ALADI [Latin American Integration Association]."

He added that "our countries are acting bilaterally and by groups, within the framework of this inter-American integration association, to solve the problems in the pursuit of integration. We also talked about these issues with the Uruguayan delegation headed by Foreign Minister Enrique Iglesias."

Saldivar later said that the meetings were very positive. "On the bilateral front, we are working on the issues considered during Minister Ugarte Centurion's visit to Uruguay in November 1986. We are also working on other problems such as navigation."

Speaking about integration, Saldivar said "we fully agree that this process needs the political will of governments and their peoples. An example at this is the process we have with Brazil, with Itaipu, and with the links with the outside world Brazil offers Paraguay. This is real integration. We will also have real integration with Argentina after the building of the Encarnacion-Posades Bridge and the Yacyreta hydroelectric project. We will also have integration with Uruguay through agreements and cooperation in port facilities technology."

The foreign minister was asked whether our government has any reservations about fully integrating in the regional economic plan. He said "our country has an agricultural and livestock economy that is becoming industrialized according to our own interests. Naturally, we have to make a careful evaluation of the advantages for our production before joining any system or group seeking a common market or regional integration."

He added that the 1980 ALADI treaty and the negotiations being conducted regularly with other countries, provide perfectly suitable means to attain our objectives." [quotation marks as published]

About the issues discussed in Uruguay, Saldivar said that "in March and April we will reach some agreements on navigation, the use of grain storage facilities, and cooperation between Petropar [Paraguayan Petroleum Company] and ANCAP [National Administration of Fuels, Alcohol and Portland Cement]. This will naturally lead to the signing of cooperation agreements with Uruguay."

POLICE BLOCK ACCESS TO OPPOSITION MEETING

PY150225 Asuncion EL DIARIO in Spanish 14 Jan 87 p 8

[Excerpts] The scheduled meeting the so-called Colorado Party ethical faction was supposed to hold last night at Luis Becker's house in Ypacarai could not be held. A strong police contingent controlled access to the meeting site since early in the day, the organizers of the meeting reported.

The meeting was called to commemorate the coming to power of the Colorado Party on 13 January 1947.

Addressing those present, Becker said that "the repression we are enduring will give us greater strength to continue struggling, and it will increase our democratic spirit."

Regarding the police cordon, he said: "We are against what they are doing now. This goes against the dignity of free men."

Becker added that "Ypacarai is paying dearly to its firmness and for upholding its political dignity, which it has always done under the anti-Colorado regime." [passage omitted]

COLORADO OFFICIAL DENOUNCES STROESSNER CRITICS

PY142234 Asuncion EL DIARIO in Spanish 14 Jan 87 pp 8, 9

[Excerpt] Leandro Prieto Yegros, a national deputy and member of the Colorado Party Executive Board said yesterday: "We will proclaim and defend President Stroessner's final victory no matter whose toes are stepped on. His programs will be fulfilled no matter what ambassador becomes upset."

The candidate for the presidency of the Executive Board spoke at Colorado Precinct No 8 before some 10,000 people, including delegations from remote parts of the country and delegations from other Asuncion precincts. Together they created a party-like atmosphere with cheerleaders and folk groups. Prieto Yegros was occasionally interrupted by the fervent crowd, which, imitating sports fans, cheered him, giving hurrahs "to the future president of the Executive Board."

Prieto Yegros, who has been drawing large crowds of Colorado Party members, added that "the voice of the Paraguayan people will not go unheard when the time comes to decide who will head the government."

The meeting was organized under the slogan of "Colorado solidarity with Stroessner." The occasion was the 40th anniversary of the Colorado Party's assumption to power. Several Colorado precinct presidents from the capital and the interior, identified with the "militant" faction, attended. They were all, in turn, presented to the crowd. [passage omitted]

'TERRORISTS' KILL HUANCAYO ARMY COLONEL

PA142247 Paris AFP in Spanish 2117 GMT 14 Jan 87

[Excerpts] Lima, 14 Jan (AFP) -- An Army lieutenant colonel was killed by unidentified terrorists who shot him today in Huancayo, 312 km east of Lima, the Police Antiterrorist Brigade reported this afternoon.

The officer was surprised near his home in that important commercial city of the central Andes range. He was shot several times.

Police spokesmen said that the attack may have been carried out by the so-called "annihilation commands" of the Maoist guerrilla group, Shining Path, which last Saturday killed three Naval officers, two Army officers and four Civil Guard officers in similar circumstances in Lima.

Doctors of El Carmen Hospital in that city said Lieutenant Colonel Segundo Pablo Rivera was mortally shot several times in the head and in the chest. He was dead on arrival at the hospital. The officer, who was attached to an infantry battalion, was attacked at approximately 1240. [passage omitted]

The authorities said the attack in Huancayo was the first [as received] terrorist action perpetrated this year by the guerrillas. Last week in Lima they assassinated two policemen and staged several dynamite attacks jointly with the urban commands of the Tupac Amaru Revolutionary Movement (MRTA).

The military authorities said the remains of the assassinated officer will be transferred to Jaen, his hometown in the north Andean Department of Cajamarca, for burial on Friday.

FOREIGN MINISTER COMMENTS ON TALKS WITH HABIB

PA140440 Panama City Televisora Nacional in Spanish 0000 GMT 14 Jan 87

[Text] Panamanian Foreign Minister Jorge Abadia Arias described yesterday's 2-hour meeting with U.S. special envoy Philip Habib as constructive and friendly.

[Begin Abadia recording in progress] ...and they are willing to accept some mediation on the part of Contadora; a final consultation document that reflects the interests of the five Central American countries and, obviously, the interests of the region. This is quite natural and we respect this position.

We feel that there has been a positive shift in the U.S. position regarding the peacemaking group and we are very pleased to see the U.S. Government has reiterated that the Contadora peace proposal is the only feasible and permanent solution to the Central American situation and the problems experienced by our Central American brothers. They have reiterated this to us. [end recording]

EL SALVADOR

DUARTE ADDRESSES NATION ON TAX REFORMS

PA141526 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Jan 87

[Speech by President Jose Napoleon Duarte; place not given -- live or recorded]

[Excerpts] Fellow countrymen: I am appearing before you to address a subject that has elicited a number of comments and opinions -- unfavorable in most cases -- regarding the tax laws that the executive branch recently presented to the honorable Legislative Assembly.

I would have liked to have had more time to explain at length the fundamental objectives and reasons that the government of our country had to undertake these reforms. However, in a very brief way, I want to first of all tell you that what is sought with these reforms is tax equity, which simply means that those who have nothing should practically pay nothing; those who have little should pay little; and those of us who have more should definitely pay more.

In view of this situation, I would like to make a brief analysis of the versions, opinions, and explanations that have been made in the country by some business organizations, political parties, and generally by some people involved in national life.

The change that we are observing today and that we will experience during the course of this year and in the future is indeed a fundamental change. There is no doubt -- and I can state and assert this -- that with the exception of the extraordinary revenue from the coffee harvest, with the respective taxes and surcharge that were in effect last year, the greatest state revenues come from the indirect taxes. This is in no way proper. The direct taxes only provide the country with 14 percent of the revenues the government needs to pay for its expenses and the services that it provides to the country's inhabitants. The other 86 percent come from the indirect taxes.

There is a tremendous difference between an indirect tax, which is a tax on profit and, in other cases, on capital.

This subject must undoubtedly be discussed. In no way is the government opposed to this. It must be discussed by all citizens so that there will be a clear awareness of what our government is seeking. In this regard, I unfortunately have to refer to a publication by an organization that rashly -- as has occurred with other comments by people in politics and in other sectors -- has asserted and affirmed to the citizens in general the negative effects of the tax laws on the citizens who are at the lowest scale of the direct taxation. Unfortunately, the cases that were given are not typical because the particular case of one Salvadoran is very different from that of another Salvadoran. There are Salvadorans who might have an income of 14,000 colones, but if we do not pay school expenditures, medical expenditures, and insurance, we do not have to make deductions. This is the reason why... [changes thought] ...or we did not have the economic capacity to make these deductions. This is the main reason why we have eliminated these deductions that existed in the past.

However, I will go further into these comparisons that were made. I want to remind you that with the previous law, the direct taxation began when the citizen's net income was approximately 9,000 colones. The new law clearly establishes that all persons who earn less than 12,000 colones do not have to declare anything. In addition, if they earn a higher income -- and these are the examples that I have mentioned -- they are logically able to make a number of deductions established by the law. [passage omitted]

I want to conclude by asking all of you to verify in the tranquility of your homes all that I have explained here. If you have any doubts, all the personnel at the Finance Ministry are at your service to make the necessary explanations. Do not be worried, because the truth is that this law means those who have little will pay little; those who have nothing, will pay nothing; and those of us who have more, will pay more. Thank you very much and good night.

ARENA'S CALDERON REVIEWS OPPOSITION'S STANCE

PA142119 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Jan 87

[Report by Carlos Armando Rivera]

[Text] Armando Calderon Sol, Nationalist Republican Alliance, ARENA, legislator, accused Christian Democrats today on the "Buenos Dias" program of being responsible for the opposition parties not voting to renew the state of siege.

Calderon Sol added that the opposition in the legislature is the result of violations committed against the assembly that have taken place since the Christian Democratic Party and its 33 legislators were installed.

[Begin recording] [Calderon] In view of the people's rejection of the packaged economic swindle and of the worsening of the crisis caused by the government itself, opposition parties from the legislature have decided to use their qualified votes as a legislative tool, because that is the only real power of the opposition in El Salvador.

[Reporter] Does this mean that you will leave the government without legal mechanisms to fight subversion in El Salvador?

[Calderon] We are not leaving the government without legal mechanisms to fight subversion. The truth is that Duarte's misgovernment has abused everything. If we could study the situation in our country, despite the state of siege, what has Duarte done? He has set guerrillas free. Whenever he wants, President Duarte sets guerrillas free. Duarte judges them. Duarte has released labor union leaders who are being tried. We are living in a regime of pseudorights.

[Reporter] It has been said that top military leaders are planning to meet with opposition parties to explain this point to them, because on many occasions it has been said that the country's stability would be adversely affected if the state of siege were lifted.

[Calderon] It could be beneficial for the Armed Forces to meet with political parties and explain the suspension of guarantees to them. We will also lay out some of our problems when we meet. We must have real respect for the law, and we must accept responsibilities demanded by the law. In that regard we, the political parties, would be willing to meet and talk. [end recording]

Likewise, ARENA legislator Armando Calderon Sol said that President Jose Napoleon Duarte's government is losing credibility each day because it is not legally trustworthy, and it does not offer economic recovery or social security.

GUATEMALA

CEREZO PLANS 'TOTAL NATIONAL REORGANIZATION'

PA150326 Panama City ACAN in Spanish 0127 GMT 15 Jan 87

[Text] Guatemala City, 14 Jan (ACAN-EFE) -- President Vinicio Cerezo today announced a "total national internal and external reorganization" for 1987. He made the announcement Wednesday [14 January] on the occasion of the first anniversary of his administration.

The message concluded the solemn session held by the Congress to commemorate their first year of work and carry out the annual change of its board of directors.

Cerezo complained of the "lack of understanding" of those "who are impatient," and emphasized "the consolidation of pluralism in freedom" as a positive achievement. Cerezo took office on 14 January 1986, ending 20 years of military regimes.

The president said that "there can be fair criticism that physical changes have been minimal," but he added: "However, the tasks of taking the first steps to reorganize a neglected house has been positive, although less visible."

He added: "The policy for this second year of administration will be directed totally at a national internal and external reorganization."

Concerning external [as received] reorganization, he brought up the need to reorganize taxes, the economy, institutions, services, education, health, labor, legislation, and public administration, in addition to productivity systems and methods.

"All of this is necessary if we really want to achieve the general well-being and facilitate national development."

In foreign policy, Cerezo emphasized his goal of consolidating alliances with democratic countries "in relations based on friendship, mutual respect for internal affairs, and close cooperation."

Cerezo emphasized his policy of active neutrality in Central America and his efforts to create a regional parliament.

He also emphasized his plans for achieving "a realistic rapprochement with the big powers, not by submission, but within our national dignity that will allow for our own progress."

HONDURAS

U.S. CONGRESSMEN DISCUSS CONTRAS' 'GOVERNMENT'

PA141313 Paris AFP in Spanish 2133 GMT 13 Jan 87

[Text] Tegucigalpa, 13 Jan (AFP) -- Various U.S. congressmen who met yesterday with President Jose Azcona and General Humberto Regalado, commander of the Armed Forces, have reported that Nicaraguan contras are installing a government in Honduran territory.

The congressmen ended their 4-day visit to Honduras, during which they visited the eastern department of El Paraiso, where some 12,000 Hondurans have abandoned their homes because of the contra presence and EPS incursions.

Angel Ortiz [name as received], from Philadelphia, who spoke on behalf of the five congressional Democrats said: "The people displaced by the war told us that a contra government is being established" in southern Honduras.

According to El Paraiso coffee growers, the contras control 450 square km of Honduran territory, which the contras call New Nicaragua. The operation center is in Capire, which they call Managuita, 12 km from the border.

Ortiz stated that "Honduran foreign policy is mistaken because it is helping to subvert a sister country, Nicaragua, in order to favor the Reagan administration."

Foreign Minister Carlos Lopez Contreras denied the accusations, and stated that "there is no alternative government being created in Honduras to attack Nicaragua."

The press reported that Azcona said at the meeting with the congressmen that Honduras could ask for military aid to guard the border if the Sandinists consolidate their power.

Azcona warned last week that if the Sandinist government becomes stronger, a security belt would have to be established to avoid "subversive infiltration."

According to the same press reports, Azcona, in his meeting with the Americans, said that the 16 Honduran battalions could not all be transferred to the border and it would be difficult financially to take over total patrol of the border.

The president described as "abusive" the recent statements made by Nicaraguan Ambassador Danilo Abud Vivas about Azcona and Congress President Carlos Montoya.

Vivas said last week that he does not know who rules Honduras, and seriously questioned Montoya, also a presidential hopeful, for having said in December that war with Nicaragua was "inevitable."

Abud Vivas said that "no responsible person can go around talking about war, and it is incredible that the president of the Congress, believing he is on a political campaign, will fool with such a serious problem for his own country."

Azcona said that he would not declare Abud Vivas "persona non grata," to avoid it being said that Honduras is placing obstacles for the Contadora peace mission, which includes the Support Group and the UN and OAS general secretaries.

Nevertheless, Azcona said that Vivas "has overstepped his official position and shown disrespect toward Honduran sovereignty."

The group of U.S. congressmen who traveled to Managua yesterday afternoon is comprised of Ortiz, Joseph Brennan of Maine, Jim Moody of Wisconsin, Thomas Foglietta of Pennsylvania, and Jim Slattery of Kansas.

NICARAGUA

RAMIREZ MEETS WITH REPUBLICAN CONGRESSMEN

PA150157 Buenos Aires REUTER in Spanish 0012 GMT 15 Jan 87

[Report by Agustin Fuentes]

[Text] Managua, 14 Jan (REUTER) -- Vice President Sergio Ramirez said today during a news conference that the United States is to blame for the suspension of constitutional liberties and guarantees in Nicaragua.

After meeting with U.S. Republican congressmen for 1 hour, Ramirez received reporters and told them: "I explained to the Republican congressmen that, as they know, President Reagan's warmongering attitude toward Nicaragua continues, and that as long as it does, we will have to maintain a state of emergency to defend ourselves."

"I told them," he added, "that the state of emergency (which was issued on Friday, several hours after a new Constitution was enacted) does not correspond to the Nicaraguan Government's wishes, but to the aggressive policy of the Reagan administration."

Ramirez said that "as soon as the U.S. aggression, carried out by mercenaries, ends, the Nicaraguan Government will restore all the liberties and guarantees that are currently suspended."

Asked whether the Republican congressmen had exerted any pressure on the Nicaraguan Government, he said: "We do not tolerate pressure from anyone. There was an open dialogue with them during which they set forth their points of view and we ours. This afternoon I will meet with the Democratic congressmen and will again discuss Nicaragua's situation."

He said he has no information that President Reagan's special envoy to Central America, Philip Habib, is coming to Nicaragua. "If he is coming he will be welcome, and we will discuss with him anything he wants to discuss. We want an improvement in the relations with the United States and we will work for peace in all of Central America."

He said that he gave permission for a meeting this afternoon between the Republican congressmen and U.S. citizen Sam Hall, who was captured inside a security area of a Nicaraguan Air Force base.

Ramirez repeated his view that it will be very difficult to hold municipal elections in Nicaragua before 1988, because of financial problems.

He also said that the Nicaraguan Government has no new proposal for Contadora, but that it will listen closely during the visit of the Contadora foreign ministers here on Monday and with the secretaries general of the OAS and the United Nations.

14 Jan BARRICADA Editorial

PA150137 Managua BARRICADA in Spanish 14 Jan 87 p 3

[Editorial: "The 100th Congress's Turn To Speak: The Steel of War or the Laurels of Peace;" by BARRICADA Deputy Publisher Javier Reyes Alba]

[Text] The early arrival in Nicaragua of three delegations of U.S. congressmen -- a fourth group will arrive at the end of the month -- has generated a number of political commentaries on their apparent renewed interest in this region, and particularly their desire to familiarize themselves with the Nicaraguan situation.

However, observers and visitors alike are concerned about the following question: What role will the 100th Congress, particularly the Democratic majority in the two houses, play in the face of the war preparations in Central America?

The U.S. domestic political situation has changed a great deal, although this has not implied any change in the Reagan administration's foreign policy in Central America. The war continues despite the "Contragate" scandal. The U.S. Government has announced without remorse that it will request an annual budget of $110 million to finance the war against the Nicaraguan revolution.

The 100th U.S. Congress' outstanding feature is that it is no longer under Republican control as it was during the past two legislative sessions. This control allowed the Reagan administration to impose its decisions on Nicaragua, Afghanistan, Angola, and so many other countries where covert operations have made terrorism and state crime the "logical" complement to the traditional U.S. policy of manifest destiny.

The Democrats kicked off the 100th Congress on the offensive with an extraordinary advantage over the Republicans. An analysis of the experience of the past 6 years -- The Reagan boom -- and "Contragate" has allowed them to design new strategies, particularly in the face of this year's presidential races. [as published] "Contragate" proved that:

1. The war against Nicaragua is neither a civilian war not is it inspired by thousands of democratic "patriots" attempting to overthrow communism-totalitarianism.

2. The war has not been waged with private funds, as previously portrayed. This is an official war against the Sandinist revolution, in which top leaders of that powerful nation, with President Reagan at the helm, are involved.

3. The war is a conspiracy created by the U.S. Government to overthrow Sandinsim involving its allied governments, which have funneled money through their territories to stage the aggression.

4. To attain its ends, the U.S. Government has violated many of its laws and shown contempt toward international law.

5. The Somozist mercenary army is precisely that: several thousand men, paid or deceived, without morals, who are incapable of defeating the Nicaraguan popular forces.

The two situations -- a new Congress and "contragate" -- coincide with a new effort by Latin American organizations and governments, which have great international support, to find a peaceful political solution to the regional crisis.

The Reagan administration continues to have the political power to unleash actions that will complicate the situation of the U.S. Democrats and the peace efforts. The questioning of OAS Secretary General Joao Baena Soares; the show of force in the "Big Pine-3" and "Kindle Liberty" maneuvers; the conspiracies of the so-called Tegucigalpa Group against the upcoming trip through Central America of the Contadora and Support Groups, supported by the secretaries of the OAS and United Nations, and the solitary but threatening voice of Assistant Secretary for State for Intra-American Affairs Elliott Abrams are indicators that the situation has not changed much for Nicaragua or the Latin American peoples.

Also, all of this proves not only how immoral, illegal, and irresponsible the U.S. policy toward Nicaragua is, but also that continuing the aggression is unjustifiable. The U.S. Congress should not continue discussing this miserable war. There is no justification for approving the other $40 million that the Reagan administration still expects to disburse in February to complete the $100 million package.

This is the U.S. Congress' opportunity, particularly for the Democrats to stop this criminal war fever that the Sandinist rifles have already defeated. On 9 January the FSLN and the revolutionary government once again offered the laurel of peace, but the U.S. spokesman did not deign to respond. This is an unequivocal sign of their unswerving desire to destroy.

Nicaragua's path to the future is clear and in 1987 it will be decided. The 100th Congress still has time to assume its historical responsibility.

RADIO COMMENTARY VIEWS 'PSYCHOLOGICAL WAR'

PA132205 Managua Radio Sandino in Spanish 1200 GMT 13 Jan 87

[Commentary by Onofre Guevara: "Analysis of Misinformation"]

[Text] The submission that characterizes the relations the United States has with El Salvador, Costa Rica, and Honduras has now covered every area of anti-Nicaraguan collaboration, with the installation in El Salvador of the counterrevolutionary radio station Liberacion. This is the third station operated by the CIA in Central American broadcasting propaganda against Nicaragua.

The psychological war waged by the imperialists from each of these countries now includes mercenary incursions, State Department-supported diplomatic initiatives, and broadcast radio disinformation.

Three important fronts in the war against Nicaragua have been conveniently created by adding a strong radio station in El Salvador.

The station represents more than an escalation of aggressions; there is also a new political element which, while indicating an escalation of the war, also signals a decisive weakening of the armed mercenary forces, thanks to their current defeat at the hands of the EPS. We are referring to the inclusion of bourgeoisie personalities in the programs aired on the counterrevolutionary radio stations located in the three neighboring countries.

In effect, COSEP [Higher Council of Private Enterprise] members Enrique Bolanos and Ramiro Gurdian have been included as the main commentators. Every day they use the CIA radio stations to contribute their opinions to the propagandist front for a war of aggression, which is intended, after all, to restore the political power lost by their classes, and to subject Nicaragua to U.S. domination once again. The criterion that prevails among the CIA radio programmers seems to be that if you want something you must pay for it, and for good reason.

Of course, the imperialists would not invest in arms, political bribes, or propaganda unless they could reestablish their domination of Nicargua, using bourgeoisie political personnel, who, in exchange, will enjoy the privileges they had prior to 1979. This new element consists of promoting the political-administrative personnel of the pro-imperialist government that would supposedly be organized in our country. It includes various angles we will try to examine separately.

First, we know that one learns from experience. The failure of the Yankee plan to remove Somoza and install bourgeoisie personnel in his place, changing the face of the Somozist regime without making in-depth reforms, was due to the popular decision headed by the FSLN to destroy Somozism at its very roots.

The U.S. failure was also due to the bourgeoisie's inability to unite. The bourgeoisie had become accustomed to the Yankee plan to share the dirty spoils of the country's exploitation with them, while the Somozist guards were in charge of protecting this system of domination. Hence, the bourgeoisie's complete political weakness. Their parties were consumed with parasitism and their struggle to replace Somoza with someone else as U.S. governor in Nicaragua. The MDN [Nicaraguan Democratic Movement], COSEP, Coordinating Committee, and LA PRENSA were the last extemporaneous and useless efforts to reconstruct an ideological-reformist political force that had broken down over the course of 45 years of Somozist dictatorship.

Second, the lack of political structures with minimal organization, credibility, and popularity, a lack better reflected after the revolutionary victory and by the failure to form an internal front, became an even greater tragedy when the armed mercenaries exposed themselves to the bourgeoisie and the entire world as armed groups possessing terrorist methods and objectives but not the ability to become a military force capable of winning a war. Now they are left only with the hope of direct U.S. armed action. However, there are many impediments for the United States to do so, among them the lack of a social base upon which it can rely. The parties of the Coordinating Committee, the COSEP, and their pseudolabor leaders cannot be that base, either together or separately. That is why they have changed their tactics, and one of the changes is to include bourgeoisie personnel in the ideological war. The bourgeoisie must make contributions to the counterrevolutionary war from Nicaragua.

On another occasion I will discuss each of the situations that have resulted from the way in which the imperialists have demanded that Churrusco [first name and title unknown], [Enrique] Bolanos [president of COSEP], and [Ramiro] Gurdian [president of Upanic, Union of Agriculture and Livestock Producers of Nicaragua] contribute to the psychological war against Nicaragua.

TINOCO REAFFIRMS DESIRE FOR PEACE DIALOGUE

PA150237 Panama City ACAN in Spanish 1707 GMT 14 Jan 87

[Text] Managua, 14 Jan (ACAN-EFE) -- Deputy Foreign Minister Victor Hugo Tinoco reiterated today the Sandinist Government's desire for peace and his satisfaction over the Central American tour that Latin American politicians will begin next week.

The Contadora and Support Groups, along with the U.N. and OAS secretaries general, will begin a regional tour on Monday in a new attempt to end the conflict in the isthmus.

Tinoco said that the Central American tour of the Latin American politicians "shows Latin America's interest in continuing to seek peace in the region."

Tinoco pointed out that Nicaragua "maintains its policy of seeking dialogue with the U.S. Government to end the existing conflict."

According to Tinoco, the tour of the Latin American delegates will start in Nicaragua.

Since 1983 the Contadora Group has been seeking a negotiated solution to the region's political, economic, and military crises.

ANTI-SOMOZIST COURTS TRY ALLEGED ARDE INFORMERS

PA142245 Managua EL NUEVO DIARIO in Spanish 14 Jan 87 p 7

[Text] Thirteen people from central Zelaya and Matagalpa are being tried by the Anti-Somozist People's Tribunals on charges of involvement in counterrevolutionary activities.

The charges state that most of the defendants began to collaborate with the counterrevolution in 1985 by giving money, and food, and information on EPS troop movements.

The defendants furnished the information to ARDE bands.

The names of the defendants are Manuel Isabel Sequeira Jarquin, Santos Davila, Rito Mejia Garcia, Froilan Budiel Diaz, Tomas Guzman Marin, Leonardo Rodriquez Valle, Esteban Aleman Nunez, Juan Artola Cano, Jose Adan Mejia Davila, Manuel de Jesus Coronado Velasquez, Alvaro Jose Miranda, Mercedes Oporta Viles, and Gregorio Jarquin Perez.

REPORT OUTLINES ASSISTANCE PLANS FOR NICARAGUA

PA140450 Havana International Service in Spanish 0000 GMT 14 Jan 87

["Note" feature prepared and read by Nestor Nunez]

[Text] As an expression of the traditional ties of friendship joining Cuba and Nicaragua, a broad agreement of economic cooperation for 1987 has been signed in Managua. The document is the result of the Eighth Inter-Governmental Session for Bilateral Cooperation held for several days in Managua.

The results of the talks are as follows: Cuba will provide Nicaragua with assistance in over 700 plans grouped under nearly 20 sectors. Special emphasis will be given to health, education, agriculture, the sugar industry, and energy production. Other support is given by delivering staples for special region number one, which includes the northern part of the Atlantic coastal area, an area traditionally forgotten by the Somozist regime.

The Sandinist leaders highly value these ties, which is stimulating. It was said in Managua that the Nicaraguan Government has had very positive results with the technical assistance and the supply of equipment from Cuba. This has even helped make the economy grow and strengthen society, despite the war conditions imposed by the imperialist aggression.

Cuba feels that support for and active solidarity with Nicaragua in all fields is a basic duty. Experts in various sectors, as well as Cuban doctors and teachers have participated, or have voiced their willingness to participate, in this assistance to a people who represent the dispossessed of the hemisphere. They are ready to fight the arrogance and aggression of the most powerful empire in history.

SALVADORAN TAX 'CRITICIZED BY WHOLE NATION'

PA130443 Havana International Service in Spanish 2300 GMT 12 Jan 87

["Our America" commentary]

[Text] As 1987 begins, it is increasingly clear that vital element in the Salvadoran situation is an insurmountable barrier to the hegemonic aspirations of Washington and its puppet, Jose Napoleon Duarte. [sentence as heard] The guerrilla and the large social sectors of El Salvador share many coinciding viewpoints. There is no doubt that the insurgency, the prevailing military force, has been able to fully interpret the aspirations of the people -- not only their political and economic demands, but also their honest desire to achieve national harmony and end the war that has already claimed more than 50,000 lives.

The guerrilla's honest requests to resume the peace dialogue, unilaterally interrupted by Duarte, was widely accepted among the people and even among the most conservative sectors that see their perspectives shattering as the conflict continues and uses up greater resources. The FMLN is aware of the situation and also knows perfectly well that deep down the regime and the United States only seek a military solution that will prove advantageous to imperialist interests. Nevertheless, the FMLN remains faithful to the aspirations of the masses and strongly advocates a negotiated solution.

A very negative element that has arisen in the past few days has been the new war tax ordered by Jose Napoleon Duarte. This new war tax has been criticized by the whole nation. The guerrillas responded to this measure with the first transportation boycott of the year. The boycott has been 95 percent effective, especially in the eastern sector of the country. Meanwhile, the workers, through their trade unions, have organized demonstrations and strikes to demand that the war tax be repealed and demanding an end to the Army's forceful recruiting. They reiterate their desire for political solutions to the conflict.

Duarte is also facing a strike by the parliamentarians who boycott the government's so-called legal measures. He is also experiencing strong pressure from some oligarchic sectors whose interests are affected by the new tax. Ultrarightist groups are trying to use this situation to undermine Washington's protege, and rumors of a possible coup d'etat are heard among the local bourgeois.

The situation is becoming difficult for Duarte and those who protect him. The complications threaten to become an uncontrollable conflict and any attempt to offer the more fascist sectors a favorable solution would only make the problem worse. Whether the imperialists like it or not, the guerrillas and masses are increasingly becoming a closely linked group. That strength can bring the peace, calm, and progress that the smallest Central American nation is urgently demanding.

CASTRO MEETS WITH GREEK COMMUNIST PARTY LEADER

FL141316 Havana Tele-Rebelde Network in Spanish 1200 GMT 14 Jan 87

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, has held a fraternal meeting with Kharilaos Florakis, secretary general of the Greek Communist Party, who was in Cuba at the invitation of our party.

During the meeting, there was an extensive and fraternal exchange on the situation in the two countries and the identity of the struggle of the Cuban and Greek peoples for disarmament and world peace, the dismantling of foreign military bases, national independence, and development for the well-being of the peoples.

CTC PLENUM CONTINUES, DISCUSSES DEFICIENCIES

FL140206 Havana Television Service in Spanish 0100 GMT 14 Jan 87

[Text] At the time this newscast was prepared, the 53d plenum of the central Organization of Cuban Trade Unions [CTC] was continuing at Havana's Lazaro Pena Theater. This important meeting of Cuban labor union members was presided over by Jose Ramon Machado Ventura, member of the [Communist Party of Cuba -- PCC] Politburo; Joaquin [as heard] Balaguer, member of the [PCC] Secretariat; and Roberto Veiga, secretary general of the CTC and member of the [PCC] Politburo. Veiga made the opening remarks.

The report on the fulfillment of the National Committee agreements regarding rectification of mistakes in matters related to work organization, salaries, labor discipline, and voluntary work includes deficiencies detected during recent inspections.

[Begin recording] [Video shows Veiga speaking] Every labor leader of any level has to use the necessary energy to combat any mistake, deficiency, or tendency that could divert us from the right track. It is not only to increase our possibilities of detecting problems but also, and above all, of strengthening our action in solving problems. We have said more than once, and it is useful to repeat it, that we not only exist to report events but above all we exist to transform events. [applause] [end recording]

The implementation of work brigades in agriculture and construction sectors was widely discussed because it helps to improve the utilization of the work day. The report was greatly discussed as well as those aspects regarding bonuses and production quota overfulfillments.

The CTC National Committee members made evident their willingness to unite efforts in avoiding violations which affect the good development of the economy.

Castro Attends Meeting

FL150049 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Jan 87

[Text] The final session of the 53d plenum of the Central Organization of Cuban Trade Unions [CTC] National Committee began today at 4 pm with Commander in Chief Fidel Castro in attendance. He reopened the debate on one of the problems which was analyzed and discussed the most during the course of the meeting regarding the use of agriculture machinery in double shifts. The president of the Councils of State and Ministers showed interest in hearing the opinions of delegates on the advantages or disadvantages of this practice.

On that topic, Luis Simeon, secretary general of the National Agricultural, Livestock, and Forestry Workers Union, indicated that this would be analyzed jointly with the ministry and all other parties involved to conduct tests and be able to provide specific results to the National Assembly of the People's Government when the agriculture ministry submits its report.

Our commander in chief was also interested in problems regarding construction. National Construction Workers Union Secretary General Pedro Fernandez also spoke on this subject.

'SUCCESS' FORECAST FOR MATERIAL SAVINGS PROGRAM

FL142346 Havana Radio Reloj Network in Spanish 1305 GMT 14 Jan 87

[By Jaime Pursell; commentary read by announcer]

[Text] The efficiency of an economy can be measured not only by the quality of its goods but also by the amount of resources obtained from manufacturing of consumer goods, parts, and equipments. That area of production is called material savings. In Cuba we are taking the first steps towards that direction after the State Committee for Material and Technical Supply has begun a national program aimed at having each production center create, implement, and control a material savings program.

The objective of such a program is to implement first the material savings program in the country's most important enterprises that also have difficulties with their production costs.

Saving is essential in production but there are enterprise managers on our industry who value the quality of products, only the amount of resources the good contains. It has been shown in the comtemporary world that saving essential and secondary raw material is a must. This is why many countries are attempting to produce the same good with more quality and less resources. Of course, that implies the adequate use of technology, scientific research, and better use of designs, among other factors.

In Cuba we have begun the difficult task of material savings. We expect it to be a success because of the well-known creativity our people have.

AGRO-INDUSTRIAL UNITS VIOLATE WAGE STANDARDS

FL121916 Havana Television Cubana Network in Spanish 1800 GMT 12 Jan 87

[Announcer-read report over video of sugar mill operations]

[Text] The Candido Gonzalez and Noel Fernandez agro-industrial complexes in Camaguey show serious deficiencies in work organization and wages that are causing damage to the economy. An inspection of the two units uncovered violations in the evaluations of technical personnel, inadequate payment of wages for production, deficient control of the observation of standards, and an excess of hours worked which did not reflect the facts, among other infractions. Though this is the second inspection of this kind to both, the deficiencies are still there. To give an example of how much economic damage has been done, it is enough to point out that in the payment of wages for production at the Candido Gonzalez in Santa Cruz del Sur 62 workers were collecting a total of more than 5,000 pesos in excess of wages, and up to 22 work hours were reported in some cases.

Meanwhile, at the Noel Fernandez in Minas, regulations were not followed and new standards not applied. This meant that 31 workers were collecting wages in excess of what they had actually earned.

SHOE FACTORIES FAIL TO FULFILL 1986 PLAN

FL140035 Havana Radio Rebelde Network in Spanish 000 GMT 14 Jan 87

[Text] The light industry's leather and footwear union have reported that last year's annual plan was not fulfilled. Some 22,140,600 pairs of shoes were supposed to be manufactured and shoe factories manufactured only 19,114,800 pairs of shoes. This represents 86 percent of the plan.

The main problems were related to organizational and technical problems, absenteeism, lack of personnel, equipment malfunctioning, changes in supplies and technology, and the lack of operation of new industrial plants, among other deficiencies.

HAITI

NAMPHY EXPELS PRESIDENTIAL CANDIDATE ESTIVERNE

PA141410 Paris AFP in Spanish 0340 GMT 14 Jan 87

[Text] Port-au-Prince, Jan 13 (AFP) -- Sources in Port-au-Prince have reported that the Haitian Government decided today to expel presidential candidate Nicolas Estiverne. Estiverne was orginially Haitian and had become a naturalized U.S. citizen.

The order of expulsion says that Estiverne is expeled from the country because of "his undesirable behavior, which could disrupt the country's political and social order."

Estiverne, one of the numerous presidential candidates in Haiti, said on the national television tonight that General Henri Namphy, the president of the National Government Council (CNG), would soon resign to announce his presidential candidacy.

Since he took over the civilian-military provisional Government of Haiti after Jean-Claude Duvalier's exile on 7 February 1986, Gen Henri Namphy has always denied having political ambitions and has said he will leave power as soon as a president chosen in democratic elections assumes office.

The order of expulsion, which was signed by the three CNG members -- Gen Henri Namphy, Colonel Williams Regala, and lawyer Jacques A. Francois -- states that U.S. citizen Nicolas Estiverne will be put on the first plane that leaves Haiti.

Sources in Port-au-Prince said that this is the first expulsion ordered by the CNG since Duvalier's fall.

JAMAICA

SEAGA RULES OUT DEVALUATION, INCREASED INFLATION

FL142257 Bridgetown CANA in English 2236 GMT 14 Jan 87

[Text] Kingston, Jamica, Jan 14, CANA -- Prime Minister Edward Seaga today virtually ruled out a devaluation of the Jamaican dollar for at least the next 15 months under the island's new U.S. 138.2 million dollar stand-by credit facility with the International Monetary Fund (IMF).

Seaga was able to avoid IMF demands for an up-front devaluation by pledging to keep inflation to no more than seven per cent in the 1987-88 fiscal year, half that projected for 1986-87 ending March. He told journalists that if the inflation rate was exceeded, and devaluation triggered, it would be towards the very end of the 15-month period.

The government expects to check inflation through a 10 per cent ceiling on wage increases this year, plus price controls on basic food items and through manipulation of the money supply.

Exporters Association Jamaica Exporters Association, JEA President Prakash Vaswani said the package, first announced by seage last night, should stimulate economic growth this year of between three and four percent. The agreement calls for a drastic reduction in import tariffs as the government continues to open the economy to force manufacturers into export.

From this year no import tariff here will be above 68 per cent and by 1991 will range between five and 30 per cent -- the high end of the scale being for consumer items.

The government is scrapping industrial and incentives legislation and says business would be compnsated by lower tariffs, reduction in corporate income taxes and 7.5 per cent tax rebate on the value of exports for those companies which sell outside the Caribbean Community. Based on the announcement and the possibilities the agreement creates for the productive sector, it should be possible for Jamaica to achieve positive growth this year of at least three to four percent, Vaswani said in a statement.

Although saying the JEA's board would discuss the full implications of the agreement tomorrow and the association was awaiting the release of the ministry papers to examine the measures in detail, Vaswani pledged the complete support of the JEA in the national effort which must now be directed towards taking advantage of the situation created by the agreement.

Seage today said his government did not expect an significant job fall-out in industry with the further removal of protection through the tariff reductions. Earlier elements of the programme involved removing import restrictions. Studies had shown that in countries in which there had been similar restructuring there was no significant reduction in jobs, rather a shift in employment to new sectors, Seaga said.

There were areas in which there would be job losses, but there would be areas in which Jamaica had no right to be in, he added. In such cases manufactures would be advised to shift.

Further, the reduction in tariffs would be done in consultation with interest groups and would be programmed and gradual until 1991.

Seaga said the World Bank was already committed to providing J125 million dollars to modernise and reorient plants in the restructuring process.

ST LUCIA

COMPTON PROMISES 'EXCITING 1987' IN ADDRESS

FL121151 Bridgetown CANA in English 1604 GMT 10 Jan 87

[By Guy Ellis]

[Text] Castries, St Lucia, Jan 10, CANA -- Prime Minister John Compton last night promised St Lucians an exciting 1987 with several job creation projects and asked them not to turn the clock back in general elections which must be held this year.

Speaking on radio and television in what was billed as a state of the nation address, Compton did not refer directly to the elections but called on his countrymen to rally behind his ruling United Workers party. The address came against the background of a turnaround in the country's economic fortunes which Compton said was in evidence during 1986, particularly during the Christmas-New Year holiday season.

Compton, who headed the government here from 1964 to 1979, lost office shortly after taking the 238 square mile island into independence. But the successor St Lucia Labour Party (SLP) administration was wracked by internal dissension over leadership which triggered its collapse in early 1982 with only half of its term completed. St Lucia suffered economic decline during that period but lately there have been clear signs that the island was back on the mend. Last year, two of its most important revenue earners, tourism and agriculture, set performance records.

Compton said last night that this turnaround had been achieved by hard work and careful planning in his government and he hailed the part played by the people in this accomplishment. He declared: Whatever may have been our accomplishments during the past year, these were made possible by a united and determined people led by a united and determined government whose leadership and example has brought out the best in our people.

Compton said that the banana industry earned St Lucia EC54 million dollars more last year that it did in 1985 and had surpassed the 90,000 ton mark targeted at the beginning of the year, with earnings reaching a record 142 million dollars. Final export figures for 1986 are put at 112,000 tons.

Promising an exciting year for all of us Compton said that the attainment of the goals which had been set would depend on the maintenance of our political and industrial stability which has been the bedrock of our recovery from the disaster of the 1979-82 period. In an apparent reference to the coming elections, due by August but expected much earlier, the prime minister told St lucians:

We can either go forward confidently into a brighter future or we can hesitate and turn back and like lot's wife turn our progress into a pillar of barren salt on which nothing will grow.

Among the projects expected this year, he said, were: the construction of two major hotels, construction of 15 miles of road financed by the Caribbean Development Bank (CDB) and a local commercial bank, EC60 million dollar electricity expansion programme involving the construction of a new power station, actual drilling for geothermal energy in the southwestern town of Soufriere, site preparation for a new terminal building at Vigie Airport, just outside here and the second phase of the EC10.5 million dollar Pointe Seraphine duty free shopping facility in the Castries harbour.

Compton said there has been increasing demand for both electricity and water in the populous Castries area and since a 100 million dam planned for the Roseau valley, south of here, will not be operation before 1992, a relief supply is being developed to provide an additional 500,000 gallons a day. Work on that system will also begin during the year, he said.

TRINIDAD AND TOBAGO

PNM DELAYS ELECTION OF NEW LEADER TO SEPTEMBER

FL121514 Bridgetown CANA in English 2100 GMT 11 Jan 87

[Text] Port-of-Spain, Trinidad, Jan 11, CANA -- The opposition People's National Movement (PNM) will elect an interim political leader next month to serve until the annual convention in September, party officials said today.

The PNM traditionally elects its leader at the end of a five-year term at its regular convention -- postponed last year due to December 15 general elections which swept the party out of office. PNM Leader and Former Prime Minister George Chambers quit in the wake of that defeat.

Party General Secretary Alvan Quamina said the election of a new leader was too important to be rushed into at a February 8 special convention organised by the party to elect a new leader. The changes were made today by the party's governing general council.

The February meeting is also expected to discuss amendments to the party's constitution which Quamina said made no provisions for the PNM in opposition. The party had been in power since 1956, the year it was formed.

Parliamentary opposition leader, Patrick Manning, energy minister in the last PNM administration, is expected to be one of the names nominated for party leader. PNM sources said Manning, a 40-year-old geologist, faced criticism from some of the party's hierarchy over his choice of five opposition appointments to the Senate.

The new senators are all newcomers to parliament.

Quamina issued a statement on Friday night questioning whether all the appointees were PNM members.

BRIEFS

INFLATION SLOWS DOWN -- Port-of-Spain, Trinidad, Jan 9, CANA -- Trinidad and Tobago experienced a slowdown in the rate of inflation in the first half of last year compared with 1985, according to government figures released here. The Central Statistical Office (CSO) said consumer prices rose by 6.6 percent for the period January to June 1986 over the corresponding six months in 1985. The 1985 first half rise was 8.2 per cent over 1984. The CSO said the all items index of retail prices showed a 1.7 per cent increase between the first and second quarters. The increase was mainly due to rises in the cost of food, clothing and housing (water rates in particular). [Text] [Bridgetown CANA in English 1438 GMT 9 Jan 87 FL]